

OFFICE OF PUBLIC INFORMATION

Quick Look:

This document includes:
Background Information,
Quick Facts, Terms to
Understand, Frequently
Asked Questions and
Additional Resources.

Quick Facts:

Florida's Fiscal Year:
July 1st – June 30th

**Florida's 2010-2011
Budget:** \$70.5 billion

Top 5 spending areas:

- Healthcare
- PreK-12 Education
- Transportation & Economic Development
- Higher Education
- Justice

Key Participants in Budget Process:

Governor
Legislature
State Agencies
Chief Financial Officer

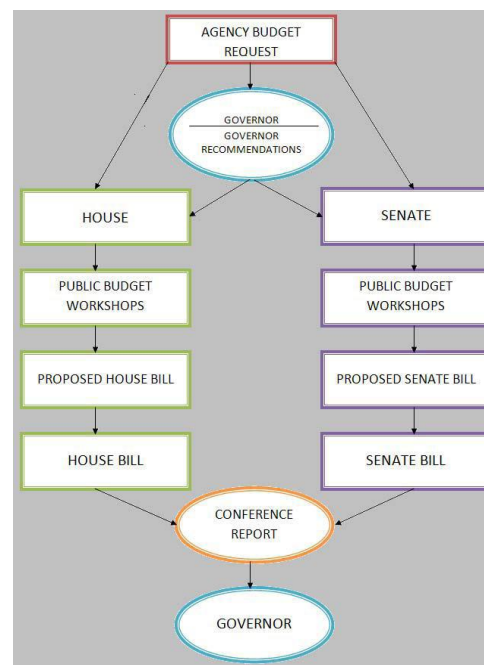
OPI Pulse: Florida's Budget Process

Background:

Florida is constitutionally required to balance its budget each fiscal year. This means the state cannot spend more than it receives in revenue. Florida's fiscal year runs from July 1st to June 30th. The state budget is grouped into three major categories of funding – General Revenue Fund, state trust funds, and federal funds. There are several key players in Florida's budget process including state agencies, the Legislature, and the Governor.

Building Florida's Budget:

The creation of the state budget begins each fall with the development of the Long Range Financial Outlook. The Long Range Financial Outlook is a constitutionally required report that is approved by the Legislative Budget Commission each September. The Outlook provides a three year picture of the state's fiscal position by lining up the estimated budget needs with the estimated revenues. In recent years, the Outlook has provided a preliminary estimate of the potential gap between revenues expected and funding of typical budget priorities.



Shortly after the outlook is produced, Florida's state agencies submit the details of their budget needs, called Legislative Budget Requests, to both the Legislature and the Governor. The Legislature and Governor consider these requests when developing their budgets, but are not required to fund the issues identified. Thirty days prior to the start of Legislative Session, the Governor is required by law to present his or her budget recommendations to the Legislature. During the annual 60-day Legislative Session each spring, both the House and Senate work to pass their own appropriations bills within their respective chambers.

Budget Conference

After the House and Senate pass their respective budget bills, the Speaker of the House and President of the Senate appoint members of each chamber to participate in a process called the budget conference. Through conference, members are appointed to committees; each focused on specific policy areas of the budget, including a main budget committee responsible for resolving issues that are not addressed in the other committees.

Representative John Legg
Speaker pro tempore

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Terms to Understand:

General Revenue Fund - State tax revenues and selected licenses and fees available to Governor and Legislature for any use.

State Trust Funds - Monies specified by law for specific purposes where Governor and Legislature have little discretion in allocating among programs, unless the law is changed.

Federal Trust Funds – Monies provided to the state by the federal government; there is typically little discretion on how the money can be spent.

Legislative Budget Commission -A

constitutionally created Legislative body comprised of members from each chamber appointed by the Senate President and the Speaker of the House. The Commission issues the Long Range Financial Outlook and, can approve limited adjustments to the budget, as recommended by the Governor or Chief Justice, without the occurrence of the full Legislature.

Before the committees get started, the Speaker of the House and the Senate President reach a consensus on how much General Revenue funding each conference committee has to work with. Those committees are then responsible for resolving differences in the separate House and Senate budgets in order to create a single budget. During conference they must determine not only the items that will receive funding but also how much funding will be allocated for each item. If a subcommittee reaches a point where they do not agree on some of the funding items, those items are then passed up to the main committee for resolving. If the main committee is unable to resolve all of the outstanding issues, then the last few items will be presented to the Speaker and President for a final decision.

Following a successful conference, the two bodies produce a single conference report, called the General Appropriations Act, which contains a line-by-line listing of the items included in the state budget. The General Appropriations Act (GAA) is then sent to the Governor who has line item veto authority over items within the document, for passage.

Amending the Budget

If there is a need to amend the current year's budget after its passage, there are procedures in law to allow it. For major changes, the Legislative Budget Commission is authorized in law to review and accept budget amendments over the course of the year. This flexibility is important to the operation of state agencies.

Planning Ahead

As soon as one year's budget is completed, the process of planning for the following year begins immediately. After the state budget is signed into law, staff of the House, Senate and Governor's office work to develop a 'base budget' for the upcoming budget year. The base budget is the amount of money necessary to continue the current year's funding into the ensuing year. The base or estimated base along with projected revenues and expenditures form the basis for the annually required Long Range Financial Outlook produced each September.

What's in the Budget

Florida's budget is divided into three primary funding sources: General Revenue, state trust funds and federal trust funds.

Federal trust funds are monies provided to the state by the federal government. Typically the state has little discretion in how these funds are spent because their purpose is specified by the federal government. Federal trust funds accounted for 38.4 percent of our state's total budget in fiscal year 2010-11. These trust funds often fund a large portion of our state's health and human services spending and fund programs such as Medicaid and Temporary Assistance to Needy Families (TANF).

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For Your Reference:

[Build Your Own Budget Project](#)

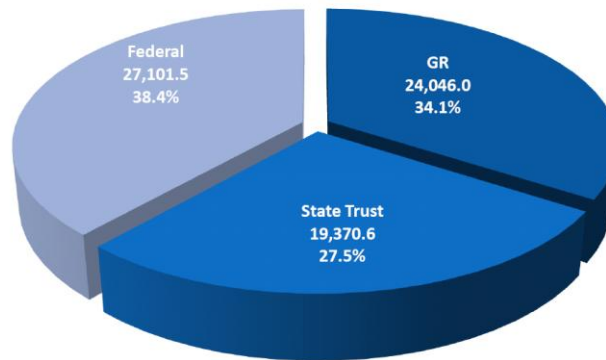
[House Documents Archive](#)

[The Florida House of Representatives](#)

[The Florida Senate](#)

[Executive Office of the Governor](#)

FY 2010-11 APPROPRIATIONS BY FUNDTYPE
\$70.5 BILLION
(Millions of Dollars)



State trust funds are monies that are designated in Florida law for specific purposes. The Governor and Legislature have limited discretion in how these funds are allocated because their purposes are generally outlined in statute. State trust funds make up 27.5 percent of our state's total budget in fiscal year 2010-11. Examples of State trust funds include the Affordable Housing Trust Fund and the State Transportation Trust Fund.

General Revenue is funding generated through state tax collection (ex. sales tax) which can be used for any purpose. Because this funding can go toward any purpose, entities and programs often compete for this funding. General Revenue makes up 34.1 percent of our state's total budget in fiscal year 2010-11.

Frequently Asked Questions: Florida's Budget Process

What do legislators consider when creating their proposed budgets?

Legislators have to take a lot of factors into account when developing the budget. They often start by looking at the amount of General Revenue available, as well as other funds. They then consider the needs of major programs and services such as the number of children enrolled in public school, the number of families seeking public assistance, and the number of prisoners, among many other factors. Legislators also consider the budget priorities and needs of the Governor as well as those of the judiciary and state government agencies. Both chambers also hold public workshops on the budget in order to collect input from the general public about how best to spend taxpayer funds.

Why can't Florida just borrow money to compensate for budget short falls during hard economic times?

The Florida Constitution specifies that pledging the credit of the state through the bonding of revenues is restricted for capital purposes (land acquisition and buildings).

There seems to be a lot of information funneling through a very quick process. How do I know our elected officials are producing a budget that benefits the taxpayers?

Florida's budget process is transparent. Elected officials make their decisions about funding during public meetings. All allocations are published and the public can also view information showing increases or decreases in funding as compared to the base budget.

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